

## **LICENSE PLATE AUCTION GROUP (LPAG)**

Colorado Department of Revenue  
1881 Pierce St., Lakewood Colorado  
August 13, 2014

### **Minutes to the Meeting**

Members in Attendance: Maren Rubino, Rich Medina, Mark Simon, Bob Gall, Zach Pierce, Gina Robinson, Ryan Carson, Peter Pike and TH Mack Sr. (all via telephone).

Guests in Attendance: Chris Hochmuth – DOR, LeeAnn Morrill – AG’s Office, Marty Zimmerman – Zimm Consulting (all via telephone).

### **CONVENE:**

- Meeting was called to order at 12:03 pm by Rich Medina.
- Motion for the 7/28/14 Minutes. Bob noted a correction about “aren’t interested” should be “are interested” under the discussion about “BRONCO”. It was moved by Bob and 2<sup>nd</sup> by Maren to approve the minutes as corrected. Motion passed.

### **Update from Zim Consulting:**

- ✚ Marty gave the following updates on the Event itself:
  - As of now, there are less than 40 people signed up to attend, and 3 people signed up to bid online.
  - They had done a huge marketing push – 3,500 LPAG business cards were handed out at the Broncos game, high-end car dealerships, and the previously mentioned ads. This caused a spike in web traffic. But people weren’t signing up. There is another huge event (The Summer Toast Program) taking place on the same night at the same time as the Auction.
  - Zimm Consulting & its subcontractor/partners have huge concerns with the event. They had a discussion with Cross Disability Coalition as a result, the recommendation is that the on-line auction is launched on the 21<sup>st</sup> as planned but the Event be postponed until January. Marty explained their rationale, citing personal relationship building rather than being marketing driven. Additionally, by doing it this way it way, they won’t lose money on the event (as they currently will) and minimize the expense. In January, they’ll be able to add more plates and make more money.
  - They also recommend taking BRONCO, GOLFER, and 5280 and rolling those into the live auction. Also add one of the big numbers (7 or 18) into the mix because of the Broncos being in the playoffs.
  - They also want to use the on-line auctions (every two months as previously planned) as part of the marketing study to determine possible interest in other plates, by putting the

entire list of plates on the website and letting people notate their interest in any particular plate(s).

- Other options include:
  - No Event at all, just on-line and revisit as necessary.
  - Continue on; push forward with the Event as scheduled including the on-line auction, as best they can.
- Mary then opened it up to questions or a motion:
  - Mark asked if the LPAG deposit at History Colorado was forfeit or if it would be credited towards the Event in January – Marty said it would be credited towards January's Event.
  - Mark asked if Marty had looked at having other Non-Profits auction off plates between now and January to help build they hype. Marty noted that any plate to be auctioned off by a non-profit had to be approved by LPAG, and since Marty *et.al.* weren't sure what types of plates various non-profits might be interested in yet, they hadn't approached anyone but were open to testing anything.
  - Mark said he'd read the materials Marty had sent out and answered his questions and believed they were on the right track.
  - Bob asked about Gary Corbit, the auctioneer, and his \$5,000 fee. Marty responded that normally he does his auctions on a percentage of the take, which doesn't work for LPAG's auction. He also brings along a sound person. He is on hold at this point, pending the outcome of this meeting. The \$5,000 is a SUBSTANTIAL discount for his normal fee. Additionally, if the Event is moved to January, Marty would like to use Reggie Rivers (a former Denver Bronco) who would also be substantially less money.
  - TH wanted to thank Marty and his team for the effort.
- TH moved that the Event be postponed until January. Maren asked about what the upside was, of going on with the on-line auction without the event. Marty's answer was that he wanted to be able to test the market. The on-line auction is set and ready to go. By moving forward, LPAG could test the market and do any necessary refining for a live Event held later, as well as a buildup to for the Event.
  - Additionally, as a result of the 4 plates that had to be removed from the list because they had since been re-registered (between the time the list was generated and the LPAG was able to get its 6 month request in), Marty has made the same comparison of "most requested Plates" and the "expired" list and came up with a further list to supplement/make up for those that had to be dropped.
  - Maren agreed that moving forward and testing the market was a good thing, but wasn't sure the using BRONCO was a good idea. TH agreed.
  - LeeAnn asked how only having 3 people registered for the on-line auction impacted doing that piece alone. Marty answered that they looked that the analytics of the website. There was a huge spike in July who spent an average of 1.5 minutes on the site. Once they got to the part that showed the \$10,000 reserve on the plates, they left the site, indicating that the price was probably out of reach for those people. They removed the reserve labels and on the spike of visits that showed up after the Bronco game, those people stayed for an average of between 4-5 minutes. Marty believed that there was time to one last

big marketing push. Originally the on-line auction was to run from 8/21 to 9/2. They know there is going to be a *Denver Post* article on it, there will be a banner ad on the *Denver Business Journals* website and there will be a *Westword* article. If the reserve is much lower, as it should be with the list of these other plates (not BRONCO, GOLFER, 5280 and 13) this will drive more interest in the on-line auction. This is the strategy that they are pursuing. They believed that BRONCO and the other plates ought to be removed and saved for later. Most people do not sign up in advance of an auction, they wait until they are going to actually make the bid.

- Peter Pike said he wanted to ask a question/make a comment about making a timely decision on the Event so that the various articles being published would be accurate, and asked if the LAPG committee needed to be more involved in the Event itself to promote it.
- Mark asked how long it took to register for the on-line auction. Marty said less than 3 minutes. Mark commented that it was likely the people were going to watch and not register until they were ready to bid (some several days into the auction) and asked if that was a safe assumption. Marty said it was a very safe assumption.
- Maren is still concerned that there won't be enough interest in the on-line auction. Marty addressed this by saying that he understood the concern that there wouldn't be bids or that the bidding would be too low. Marty went on to say that the system being already set up, there was not cost associated with it, so even if those things were true (low bids, no bids) LPAG is not out any money as a result and still has generated some income as a result, even if it isn't what they had hoped. He didn't believe that there was any real downside in moving forward with the on-line auction alone. Additionally, by adding some of these other plates to the mix, there ends up being a greater variety and those that don't perform can be pulled, and put back in at some later time when the Group feels the time is right or release it, but there's still no cost to LPAG. The suggested reserve for these types of plates is \$200. Originally they had thought \$500, but the \$200 threshold will open it up to more people.
- Maren asked Mark if LPAG put up 4 plates and they sold for a total of \$400 would he consider the venture successful, he responded no. Marty continued that he wouldn't call \$400 successful either, that there were no parameters set for what success would be, but the expectation was for \$1.5 million; if LPAG doesn't at least try, they won't get anything.
- Maren believed that both should be postponed to a later date and kick-off both at the same time based on previous discussions in meetings past.
- TH reminded everyone he still had a motion on the table.
- Mark asked if the Event is extended out what the odds were of getting a local TV station to be a sponsor. Marty said there were much better odds of getting a TV sponsor. Marty went on to explain further about wanting a January event – the Broncos in playoffs, better planning of the Governor's calendar, better TV coverage as this would be the season they are trying to get focus on now.
- TH mentioned in doing *Colorado and Company* and talking with channel 9 employees there was great interest and might be interest in having the station

buy a plate. Additionally he thought LPAG would be in a stronger position by waiting.

- Zach thought it would give LPAG another shot at the Broncos in addition to attempting the Governor's schedule.
- Mark asked what Marty thought the cost would be to him (Marty) to continue the contract to January and the Event. Marty said he'd already been speaking with his team (Sprocket and Handbid) on this subject and said they were all pretty much on board with Zim Consulting and were putting together a proposal for what it would be to continue with a substantially reduced cost, something in the \$20,000 range as they all really wanted to see this Event and auction succeed. Once they have finalized the proposal they'd have it available for the Group.
- Mark 2<sup>nd</sup> TH's motion from above. Rich asked TH to restate his motion. TH moved that the Event be moved to a later time frame (leaving it ambiguous as to not lock the group into a particular time frame). TH continued that he was concerned about moving forward with the on-line Auction. He did not want to use the premium plates, BRONCO, 5280 etc. in the on-line auction. He asked how Marty felt about that, Marty said he agreed.
  - Marty further stated he had a list of plates he thought might be attractive for the on-line setting and not "premium" plates.
  - Mark asked if the two issues (live Event and on-line auction) be severed and deal with each of them separately.
- TH agreed and further defined his motion to be that he wanted to postpone the Event (live auction) to a later date defined by the vendor with the approval of the Board. Mark maintained his 2<sup>nd</sup>.
- Rich called the vote:
  - Gina – Yes
  - Rich – Yes
  - Zach – Yes
  - TH – Yes
  - Maren – Yes
  - Peter Pike – (had dropped off the call)
  - Bob – Yes
  - Mark – Yes
  - Ryan – Yes
  - Motion Passed.
- Mark and TH stated that they believed the next issue(s) to be whether or not to move forward with the on-line auction or not and what plates to be put forward. TH further wanted Marty to identify 2<sup>nd</sup> tier plates.
  - Marty said he believed 2<sup>nd</sup> tier plates were the ones that the DMV had multiple requests for, but were denied and were now 'expired'. He created and updated list of plates that people probably wouldn't pay \$10,000 for but were attractive none-the-less:
    - DREAMER
    - FAITH
    - JALISCO

- SPARKY
  - WOLF
  - SUPRMAN
  - BIGDOG
  - PACKERS
  - MICKEY
  - SMILE (already approved)
  - 2FAST4U (already approved)
  - SPOILED (already approved)
  - SWEET (already approved)
  - HIOSLVR (already approved)
  - FLYFISH (already approved)
- Bob asked if these were going to be set up under the \$200 reserve. Marty said that was his recommendation, but that the Group could certainly change it.
  - Mark suggested that perhaps holding back PACKERS as he believed there were many Packers fans here in Colorado and what if they made the playoffs. TH agreed and thought it should be pulled. Mark also thought BIGDOG should be pulled and held back until momentum for the auctions had built.
  - Zach asked if the decision had been made to go forward with the on-line auction. TH asked if there was enough time to still be able to launch it for 8/21. Marty said there was, including a quick Marketing push.
  - Bob agreed with Marty, LPAG should go forward. Bob further stated that he believed the reason the Group was in this situation was because LPAG had a lack of urgency to bring this thing forward and that it was their own fault for not giving Marty and his team the time necessary because LPAG had to micro-manage everything. He believed that LPAG needed to regroup, plan a new strategy for the end of the month meeting and proceed with the on-line auction.
  - After some further conversation confirming the list of plates (above), Marty said he'd like to see three motions:
    - Approve the above list
    - Continuation of the on-line auction for 8/21
    - What the minimum reserve will be for these plates

Further, Marty believed that PACKERS should be held back, but wasn't sure about BIGDOG. Some discussion ensued on whether to keep BIGDOG.
  - It was generally agreed to pull BIGDOG and PACKERS off of the list.
  - Bob asked if MEOW and WOOF were available, Marty said they were not.
- TH moved that the list be accepted (for on-line auctions) minus BIGDOG and PACKERS. Mark 2<sup>nd</sup>.
  - Rich called the vote:
    - Gina – Yes
    - Rich – Yes
    - Zach – Yes
    - TH – Yes
    - Maren – Yes
    - Bob – Yes

- Ryan – Yes
  - Nark – Yes
  - Motion Passed.
- Zach believed that the on-line auction should proceed on 8/21 and continue to build momentum to the live event.
- Mark moved that the on-line auction proceed for 8/21. TH 2<sup>nd</sup>
- Maren asked if the Terms and Conditions were completed. Marty said he had started to prepare these documents but put them on hold pending the outcome of the discussions and votes on the Event and on-line auction. Marty would finish the preparation and consult with LeeAnn with this so it could be forwarded on to the Group for approval. LeeAnn pointed out that the Group would have to convene at least one more time prior to the on-line auction to approve the Terms and Conditions and the Certificate.
  - Mark said he was going to move that Marty, Maren and LeeAnn be empowered to approve the Terms and Conditions. Maren said she wasn't comfortable with this and the Group should review/approve it. LeeAnn said that the action (to approve) would have to take action in open meeting, so an on-line (e-mail vote) wouldn't work.
  - Mark thought the Group was getting way down into the weeds by having to approve every document.
  - LeeAnn said that as these were THE Terms and Conditions of the auction, and not just any document, it really did require the attention of the Group and a vote. There was then general, animated discussion as to whether an e-mailed vote/comments made to a staff person as opposed to a member of the board would violate the Colorado Open Records Act (CORA). Zach suggested that the Group move forward with the vote on the auction now and meet early next week to discuss the document. LeeAnn believed this should work.
  - There was general discussion about setting the next meeting. It was finally agreed a meeting to discuss the Terms and Conditions be set for Tuesday the 19<sup>th</sup> between 2-3 pm. Marty would finish the Terms and Conditions by tomorrow and get them out to everyone for review, for the meeting on 8/19. The Group was reminded that LeeAnn's communication with the Group would be privileged and to not share it with people, additionally if they had questions, do not use "reply all" but ask Lee Ann directly.
- Rich called the vote:
  - Gina – Yes
  - Rich – Yes
  - Zach – Yes
  - TH – Yes
  - Maren – No
  - Bob – Yes
  - Ryan – Yes
  - Mark – Yes
  - Motion carried. On-line auction will precede 8/21.
- Rich opened the discussion on the reserve limit. TH suggested \$500. Mark asked about different reserves for different plates. Marty thought that might be too complicated, thought for purposes of the testing the waters it be kept simple. Rich agreed.

- TH moved that the reserve be \$500 for the on-line auction of the above listed 13 plates. Mark 2<sup>nd</sup>. Rich called the vote:
  - Gina – Yes
  - Rich – Yes
  - Zach – Yes
  - TH – Yes
  - Maren – Yes
  - Bob – Yes
  - Ryan – Yes
  - Mark – Yes
  - Motion carried.

Mark brought up for the third meeting in a row, the legislative bill request. Rich noted that this was on today's the agenda for after the Executive Session.

Mark moved that the LPAG move to Executive Session. TH 2<sup>nd</sup> the motion. Motion passed. The regular meeting recessed at 1:28 pm for Executive Session.

The meeting reconvened at approximately 2:00pm. [Due to technical difficulties the recording did not capture the time the meeting started or adjourned.]

Roll was taken for quorum purposes: Maren Rubino, Rich Medina, Ryan Carson, Gina Robinson, Zach Pierce, Bob Gall, Mark Simon, TH Mack, Sr., LeeAnn (Ag's office—not a member) Chris Hochmuth, (DOR support – not a member).

Rich noted that the next item was the legislative bill request and ask Mark to proceed.

Mark believed there were four items discussed that needed legislation to give LPAG or the DMV options, but none were required.

- > Reimbursement for expenses for those who do not get reimbursed from any other source.
  - Mark believed the State Employees were already covered.
- > Giving the DMV the option to accept reservation requests for desired configurations more frequently than every 6 months.
- > Giving the LPAG the ability to offer “ala carte” items such as having a plate embossed that normally isn't, having a plate put on a retired background, etc.
- > Get authorization to provide old turned in plates as auction incentives for matching configurations.
- > Converting the LPAG into a 501(c)(3) group to solve the charitable giving/deductibility issue.
  - LeeAnn noted that 501(c)(3) status was granted by the IRS and the Federal Government and not the state legislature. She also had some concerns about this since the statutes require the moneys to flow to the State, which then flow to a charitable purpose and partially to the general fund, if certain levels are met.

[Gina had to leave the meeting but said she could be available for voting if needed, just to text her.]

Rich asked if everyone could stay on for another 15 minutes. Quorum was still present. The meeting continued.

Rich suggested going down Marks list in order starting with the Reimbursement question.

- ✓ Rich started the conversation by saying as a State appointee he did not get reimbursed for travel. He could see how others might have a need or want to do so. His concern was that any new process that the Group came up with takes more time and effort to figure these things out and don't currently have the mechanisms to deal with them. Additionally as the meetings can be called into, he thought this prevented the group from putting a ton of energy into it at the moment.
- ✓ Mark's response is that he didn't believe it was a big process to set up expense reimbursement at the Governor's office already has it set up for other Groups and Boards. The only process to set up was who would review the expenses and approve them. As for the calling in, Mark believed it was far less effective to call in than to be in the room. He did acknowledge that he participated in a large number of meetings via phone so he had firsthand experience. He also noted that by not having expense reimbursement in place in precluded participation by members of the public who are looking for appointment to fill slots on this committee in the future. Especially in the disability committee. He believed that many of them couldn't even afford the expense of calling into these meetings as they are long distance calls. As an example, Mark cited that today's call would cost him about \$6 and for someone who lives on Social Security Disability income of \$721/month, \$6 was more than they could afford. He also said that LPAG was one of the few Boards appointed by the Governor's office that does not allow for reimbursement. Mark thought reimbursement was appropriate.
- ✓ Bob thought there are people who put in a lot more time and effort in than just coming to a meeting. Bob said he wouldn't put in for reimbursement for himself because that was a choice. He believed there were power people in the Troup; he didn't believe he was one of them as he was a member of the public. There are a lot of decisions made and a lot of effort put in behind the scenes and for all those things for someone who isn't being compensated. He believed they should be either on a consulting basis as the statues might allow, whether they work for the government or not.
- ✓ Rich thought that everyone worked for the pleasure of somebody or organization. Maren agreed with Rich.
- ✓ Mark asked Rich and Maren if they were on leave time when they attend these meetings. Maren said no, that they weren't but that she worked many, many, many, more than 40 hours a week. Rich noted that none of them (the state employees) got deferrals from their other work and it had to be made up. Neither of them was complaining about it, just noting that they weren't really being "compensated" for their time on the Group.
- ✓ Bob agreed with Mark, that the board should have the option to make reimbursements.
- ✓ LeeAnn asked Mark if this would include the work he does in front of the legislature for the Group as a citizen lobbyist and if he'd thought about the legislative liaison nature as the LPAG was a Sate body.
- ✓ Mark said that if she was referring to an Agency legislative liaison then that would fall to the Governor's Office. In terms of what he was looking at for expense reimbursement for participating in the legislative process, the only thing he was looking for was his mileage for where he had to go to the Capitol specifically for the LPAG, noting that LPAG legislation is rarely scheduled when he's there working on other Human Services bills.



He didn't believe it would be particularly significant, but that he could not continue to eat his expenses to do this. He hadn't anticipated that it would take LPAG 3 years to get to where they are.

- ✓ LeeAnn asked if there was overlap between what Mark was doing and what the Governor's Legislative Liaison was doing, and if they shouldn't be doing this instead. Mark said he'd be surprised if they'd be willing to take on LPAG. Mark continued that the 12 meetings a year were a pretty good chunk of money and an hour-and-a-half drive each way for him. Without reimbursement, he said that LPAG would be precluding participation by the rural public.
- ✓ LeeAnn said that she believed the Group had heard his concern and taken it up, but she wanted to make it clear that there were concerns with him functioning as a legislative liaison for the Group as there were laws that regulate those individuals. Mark said that he wasn't a State employee and that there were lots of Councils out there that had legislative liaisons from those councils that were reimbursed for nothing more than their expenses. Mark went on to say that if that was the big issue, he wouldn't submit his expenses for legislative work. He then said that he was offended that a group of people who were making \$60-80,000 a year were telling him that made \$17,000 a year that if he can't afford to participate then he shouldn't be here.
- ✓ LeeAnn said that she didn't believe the Group had told Mark anything and that she was just asking questions for clarification, and asked Mark not to take the process personally that her questions and statements were intended professionally.
- ✓ Mark insisted that he was the one being impacted and that the people who were objecting made 5 times the income that he did, and that they were being paid to be at the table. Bob agreed with Mark.
- ✓ Rich acknowledged LeeAnn's concerns noting that she was the Groups legal counsel and that Group needed to listen to these as they were going to have to deal with the concerns at some point and that people should depersonalize it.
- ✓ Bob suggested that to help defuse the situation, this be taken up again at the end of the month meeting as the first item on the agenda when there would be more people present especially Zach from the Governor's office. Maren agreed.

Rich noted that it was obvious the Group was not going to get through Mark's first item today and asked if in the remaining three minutes the Group could look at Mark's 2<sup>nd</sup> item of submitting requests more than every 6 months to the Department of Revenue.

- Maren said it was possible, but that it would take a major amount of programming. Mark had asked at previous meetings if this would be programmed into the new DMV system, Maren thought it could be, but at this point it's a very manual and cumbersome process. So the short answer is not without automation.
- Mark noted it wouldn't have to be done this year. Maren said that this was true, but that it would create pressure to do so.
- Bob asked what if there were just a couple of plates that needed to come up in between the 6 month period for a special event or something. Maren responded that in that simple scenario, it wouldn't be a problem, but that there were currently 9,600 plates to work with.
- Mark said he wasn't suggesting that it was an urgent situation, but that it was a potential obstruction with plates that "retire" on a monthly basis. He just wanted to have the option and

tool in place to deal with this for those plates for LPAG's right of first refusal so that the DMV isn't sitting on plates for 7 months waiting for the request to come from the LPAG.

- Maren asked Mark to clarify the right of first refusal. Mark stated that at the last session that there was an agreement with the Governor's office that the LPAG would sit down with the DMV and figure out a way to make sure that as plates expired they would not be reissued until LPAG had a shot at reserving them before those plates were re-issued so that plates weren't mistakenly re-issued for \$50 that could be worth substantially more than that at auction.

Rich noted that LPAG was out of time. Consequently he wanted agenda item number 1 to be these issues for the end of the month meeting.

Rich adjourned the meeting at 2:30pm.

There will be a special meeting of the LPAG on August 19<sup>th</sup> at 2pm via conference call.

The next regular meeting of LPAG will be August 25<sup>th</sup> in the Boards and Commissions Conference room at 1881 Pierce Street.

Respectfully submitted  
Chris Hochmuth  
Administrative Services Supervisor  
Title and Registration Sections  
Department of Revenue